GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

UNSTARRED QUESTION NO:367
ANSWERED ON:17.11.2016
Regional Connectivity Scheme
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Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the Government has made efforts to promote regional air connectivity in the country including North-Eastern Region by introducing regional airline services and creating additional infrastructure by revival of unutilised and underutilised airstrips and non-functional airports, if so, the details thereof;

(b) whether the Government has received suggestions and proposals from various States and private sector in this regard, if so, the details thereof;

(c) whether the Government proposes to use National Highways and military aerodromes to promote the above scheme, if so, the details thereof;

(d) the salient features of the Ude Desh ka Aam Nagrik (UDAN) scheme recently launched by the Government and various measures taken to implement the same;

(e) the details of funds allocated, released and utilized under UDAN scheme and subsidy likely to be provided to various airline operators under the scheme;

(f) whether the Federation of Indian Airlines has objected to the proposed levy of tax on flights on major routes to fund regional connectivity scheme, if so, the details thereof; and

(g) the measures taken by the Government to remove the hurdles and implement the scheme in the best possible manner?

Answer

Minister of State in the Ministry of CIVIL AVIATION

(Shri Jayant Sinha)

(a): Yes Madam. Ministry of Civil Aviation (MoCA) has launched the Regional Connectivity Scheme (RCS)-UDAN in October, 2016, to promote regional air connectivity in the country including North Eastern region and creating additional infrastructure by revival of unserved and underserved airports/airstrips.

(b): The scheme has been finalized after extensive consultation with all the stakeholders including State Governments. Suggestion were received from stakeholders including the States at the time of consultation with public/stakeholders on the draft Scheme.

(c): The indicative list of underserved and unserved airports in India of the Scheme also includes Defence airports. However, for such airports, approval from Ministry of Defence needs to be obtained for permitting joint use/civil operation under the Scheme. But use of National Highways is not mentioned in the scheme.

(d): The primary objective of RCS is to facilitate / stimulate regional air connectivity by making it affordable. Promoting affordability of Regional air connectivity is envisioned under RCS by supporting airline operators through (i) concessions by Central Government, State Governments and airport operators to reduce the cost of airline operations on regional routes and (ii) financial support (Viability Gap Funding or VGF) to meet the gap, if any, between the cost of airline operations and expected revenues on such routes. RCS-UDAN is a demand-driven scheme, where airline operators undertake assessment of demand on particular routes.

(e): A Regional Connectivity Fund (RCF) has been created under powers conferred under Rule 88-B of the Aircraft Rules, 1937 to provide the VGF requirements under the scheme. The Central Government has decided to impose a levy on the scheduled flights being operated within India to fund the Regional Connectivity Fund. However, following flights has been exempted from the above mentioned levy:;

i) Flights operated on CAT II/ CAT IIA routes as specified in Route Dispersal Guidelines issued under Rule 134 (1A).;

ii) Flights operated on RCS routes.;

iii) Flights operated with aircraft having maximum certified take off mass not exceeding 40,000 kg.
The payment of VGF will be made to selected airline operators from the RCF.

(f): For imposing levy, amendment was done after consulting all stakeholders. Observations/ comments from different stakeholders including Federation of Indian Airlines (FIA) were considered before amending the rule ibid.

(g): The Ministry has signed MoU on RCS-UDAN with the states of Mizoram, Puducherry, Uttarakhand, West Bengal, Assam, Jharkhand, Madhya Pradesh, Maharashtra, Andhra Pradesh, Gujarat and Chhattisgarh. A pre-bid meeting was held on 11-11-2016 with all the stakeholders including States and airline operators to facilitate the effective and efficient implementation of the scheme.